

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF OHIO  
EASTERN DIVISION

FILED  
RICHARD W. HAGEL  
CLERK OF COURT  
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UNITED STATES OF AMERICA,

Plaintiff,

vs.

FRED T. LEE,

Defendant.

CASE NO. 23-00015

JUDGE Griffith

INFORMATION

18 U.S.C. § 1343

THE UNITED STATES ATTORNEY CHARGES:

COUNT 1  
(Wire Fraud)

At all times relevant to this Bill of Information:

1. The American Federation of Government Employees ("AFGE") was a national labor union that represented approximately 670,000 workers employed by the federal government across all agencies and departments.

2. AFGE Local 4071 (the "Union") was a local union chapter of AFGE. The Union represented approximately 415 employees of the Department of Veterans' Affairs in Columbus, Ohio, and surrounding area outpatient clinics. The Union maintained an office at the Chalmers P. Wylie Veterans Affairs Ambulatory Care Center located at 420 North James Road, Columbus, Ohio.

3. From November 2015 through March 2019, Defendant **FRED T. LEE** was president of the Union. In accordance with the Union's Constitution and Bylaws, it was **LEE's** duty as president to preside over the Union's meetings and conduct the day-to-day affairs of the Union. **LEE** was also responsible for overseeing the recruitment of new members to the Union.

4. As an incentive for new employees to join, the Union would pay rebates, also known as “bonus bucks”, to a new member and to a union member who recruited the new member. On average the rebate payments were \$100.00 to the new member and \$100 to the recruiter.

5. The new member was required to complete a Form 1187 when they agree to join the Union. The Form 1187 had a section labeled “Rebate Request Form” where the rebate payment to the new member and the recruiter was recorded. Rebate payments were sometimes paid by check, but the majority were made in cash.

6. All rebate payments to new members and to recruiters were paid by Defendant **FRED T. LEE**.

7. The Union maintained a checking account (the “Union Bank Account”) at J.P. Morgan Chase Bank (“Chase Bank”), Columbus, Ohio. The principal financial officers, and the authorized signatories on the Union Bank Account, were the president and the treasurer of the Union.

8. Defendant **FRED T. LEE** also had a debit card linked to the Union Bank Account with Chase Bank. Use of the debit card required a vote and approval from the Union’s local executive board.

9. Defendant **FRED T. LEE** also maintained a personal checking account at Chase Bank.

#### **The Scheme to Defraud**

10. Beginning in or about November 2015, and continuing until in or about March 2019, Defendant **FRED T. LEE**, in the Southern District of Ohio, devised and intended to devise a scheme to defraud, in order to deprive another, specifically the Union

and Chase Bank, of money or property by means of a material misrepresentation or concealment of a material fact, to wit: the Defendant executed a scheme whereby he withdrew \$208,722 from the Union Bank Account at Chase Bank for rebate payments to new members and recruiters to the Union, although the Rebate Request Forms 1187 only supported the withdrawal of \$81,850 in rebate payments, thus withdrawing \$126,872 from the Union Bank Account for his own personal use. The disbursements included six checks written and endorsed by Defendant **FRED T. LEE** totaling \$9,800; one hundred forty (140) ATM withdrawals totaling \$169,742; and thirty (30) teller withdrawals signed by Defendant **FRED T. LEE** totaling \$29,450, for a total of \$208,722 in cash withdrawals.

11. In furtherance of the scheme, Defendant **FRED T. LEE** withdrew cash from the Union Bank Account and on the same day made cash deposits to his personal checking account.

12. It was further part of the scheme that Defendant **FRED T. LEE** wrote unauthorized checks to himself from the Union Bank Account and deposited the money into his personal checking account through ATM cash deposits.

13. It was further part of the scheme that Defendant **FRED T. LEE** made unauthorized cash withdrawals from the Union Bank Account via teller windows at Chase Bank.

#### **The Wire Communication**

14. On or about the date set forth below, in the Southern District of Ohio, Defendant **FRED T. LEE**, for the purpose of executing and attempting to execute the scheme described above, transmitted and caused to be transmitted, by means of wire communication in interstate and foreign commerce, the signals and sounds described below:

COUNT	DATE	WIRE COMMUNICATION
1	7/17/18	ATM withdrawal of \$1,000 from the Union Bank Account at Chase Bank followed by \$500 ATM deposit into LEE's personal checking account at Chase Bank.

**In violation of Title 18, United States Code, Section 1343.**

**KENNETH L. PARKER**  
**UNITED STATES ATTORNEY**



**BRENDA S. SHOEMAKER (0041411)**  
**Assistant United States Attorney**